CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6512

Chapter 323, Laws of 2006

59th Legislature 2006 Regular Session

TAX INCENTIVES -- HEAVY DUTY DIESEL VEHICLES

EFFECTIVE DATE: 6/7/06

Passed by the Senate February 20, 2006 YEAS 47 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House March 6, 2006 YEAS 95 NAYS 3

FRANK CHOPP

Speaker of the House of Representatives

Approved March 29, 2006.

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6512** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

March 29, 2006 - 4:35 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

Secretary of State State of Washington

SUBSTITUTE SENATE BILL 6512

Passed Legislature - 2006 Regular Session

State of Washington

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18 19 59th Legislature

2006 Regular Session

By Senate Committee on Water, Energy & Environment (originally sponsored by Senators Fraser, Pridemore, Honeyford, Poulsen, Mulliken, Regala, Rockefeller, Delvin and Kline)

READ FIRST TIME 01/27/06.

- AN ACT Relating to enhancing air quality at truck stops; adding a new section to chapter 82.04 RCW; adding new sections to chapter 82.08 RCW; adding new sections to chapter 82.12 RCW; creating a new section; and providing expiration dates.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
 - NEW SECTION. Sec. 1. The legislature recognizes that the air quality around idling heavy duty diesel vehicles at truck stops can contribute to unhealthy conditions. Idling vehicles not only consume up to one billion gallons of diesel fuel a year, but also contribute to air pollution by releasing fine particles, volatile organic compounds, carbon monoxide, carbon dioxide, and nitrogen oxides. These emissions contribute to deteriorating human health conditions, including asthma, heart disease, cancer, and aggravated allergies. Idling vehicles also contribute to driver fatigue through exposure to noise, vibration, and elevated levels of carbon monoxide and other pollutants.
 - Washington state seeks to encourage private entities to address this source of air pollution by providing incentives to those who provide the infrastructure and services that support the use of auxiliary power through onboard or stand-alone electrification systems.

- NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW to read as follows:
 - (1) In computing tax there may be deducted from the measure of tax amounts received from the retail sale, lease, or rental of auxiliary power to heavy duty diesel vehicles through onboard or stand-alone electrification systems.
 - (2) The definitions in this subsection apply throughout this section and sections 3 through 6 of this act unless the context clearly requires otherwise.
 - (a) "Heavy duty diesel vehicles" means any diesel vehicle with a gross vehicle weight rating over fourteen thousand pounds.
 - (b) "Onboard electrification systems" means the equipment necessary to provide auxiliary electrical service to heavy duty diesel vehicles that are equipped with the necessary components to accept electrical power, including inverters, heat and air systems capable of being powered by electricity, and hardware to plug into an electrical outlet.
 - (c) "Stand-alone electrification systems" means an independent system that supplies a heavy duty diesel vehicle's needs for heating, ventilation, and air conditioning without modification to the vehicle.
- 20 (3) This section expires July 1, 2015.
- NEW SECTION. Sec. 3. A new section is added to chapter 82.08 RCW to read as follows:
 - (1) The tax levied by RCW 82.08.020 does not apply to sales of machinery and equipment, or to services rendered in respect to constructing structures, installing, constructing, repairing, cleaning, decorating, altering, or improving of structures or machinery and equipment, or to sales of tangible personal property that becomes an ingredient or component of structures or machinery and equipment, if the machinery, equipment, or structure is integral and necessary for the retail sale, lease, or rental of auxiliary power to heavy duty diesel vehicles through onboard or stand-alone electrification systems. Structures and machinery and equipment that are used for the retail sale, lease, or rental of auxiliary power to heavy duty diesel vehicles through onboard or stand-alone electrification systems are exempt only on the portion integral and necessary for providing that service.
 - (2) A person taking the exemption under this section must keep

- records necessary for the department to verify eligibility under this section.
- 3 (3) For the purposes of this section, the definitions in section 2 4 of this act apply.
- 5 (4) This section expires July 1, 2015.
- 6 <u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 82.12 RCW 7 to read as follows:
- (1) The provisions of this chapter do not apply in respect to the 8 use of machinery and equipment, or to services rendered in respect to 9 constructing structures, installing, constructing, repairing, cleaning, 10 11 decorating, altering, or improving of structures or machinery and equipment, or tangible personal property that becomes an ingredient or 12 component of structures or machinery and equipment, integral and 13 necessary for the retail sale, lease, or rental of auxiliary power to 14 15 heavy duty diesel vehicles through onboard or stand-alone 16 electrification systems.
- 17 (2) A person taking the exemption under this section must keep 18 records necessary for the department to verify eligibility under this 19 section.
- 20 (3) For the purposes of this section, the definitions in section 2 21 of this act apply.
- 22 (4) This section expires July 1, 2015.
- NEW SECTION. Sec. 5. A new section is added to chapter 82.08 RCW to read as follows:
- 25 (1) The tax levied by RCW 82.08.020 does not apply to the sale of, and labor and services rendered in respect to, tangible personal 26 property installed on a heavy duty diesel vehicle if the property 27 enables the vehicle to operate, while parked, through the use of an 28 29 onboard electrification system. Only parts and other components that 30 are specific to enabling a heavy duty diesel vehicle to operate, while parked, with an onboard electrification system are exempt under this 31 32 section.
- 33 (2) A person taking the exemption under this section must keep 34 records necessary for the department to verify eligibility under this 35 section.

- 1 (3) For the purposes of this section, the definitions in section 2 of this act apply.
- 3 (4) This section expires July 1, 2015.
- 4 <u>NEW SECTION.</u> **Sec. 6.** A new section is added to chapter 82.12 RCW 5 to read as follows:
- (1) The provisions of this chapter do not apply in respect to the use of tangible personal property, labor, or services if the property, labor, or services enable a heavy duty diesel vehicle to operate, while parked, through the use of an onboard electrification system. Only parts and other components that are specific to enabling a heavy duty diesel vehicle to operate, while parked, with an onboard electrification system are exempt under this section.
- 13 (2) A person taking the exemption under this section must keep 14 records necessary for the department to verify eligibility under this 15 section.
- 16 (3) For the purposes of this section, the definitions in section 2 17 of this act apply.
- 18 (4) This section expires July 1, 2015.

Passed by the Senate February 20, 2006.

Passed by the House March 6, 2006.

Approved by the Governor March 29, 2006.

Filed in Office of Secretary of State March 29, 2006.